



Annual Budget Fiscal Year 2009

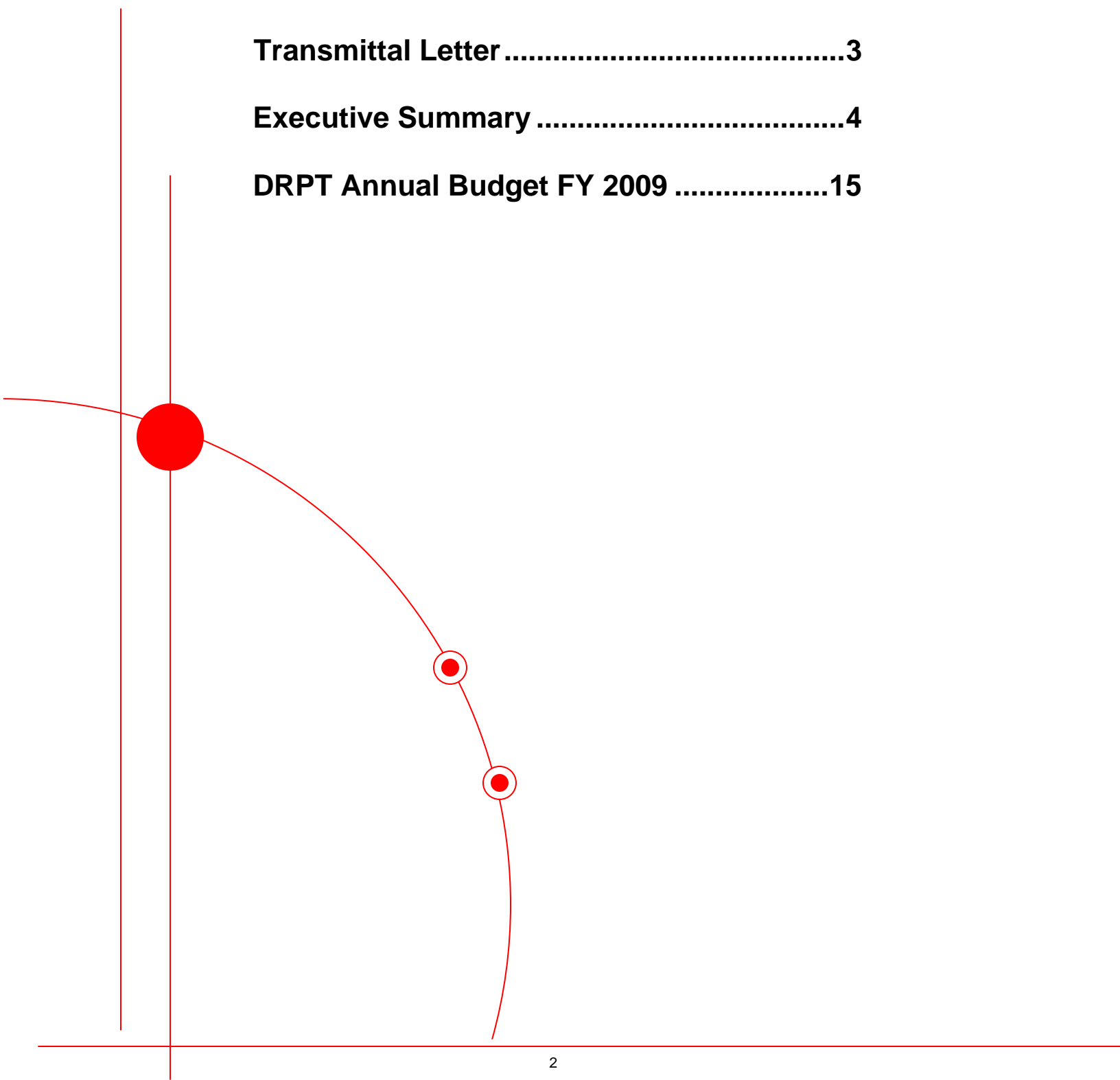
Final Budget

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DRPT Annual Budget FY 200915





COMMONWEALTH of VIRGINIA

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

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June 16, 2008

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Dear Members of the Board:

This document contains the Virginia Department of Rail and Public Transportation's recommended FY 2009 annual budget for your approval.

In developing this budget, DRPT was mindful of the priorities included in the 2008 Appropriations Act, which direct DRPT to incorporate the principles of local maintenance of effort, transit sustainability, public benefit and asset management into its programs. To support this requirement, we have developed a transit sustainability and investment policy that addresses each principle, in addition to enhanced program guidance. Together, these elements will help ensure that new projects deliver a substantial return on investment for state funds. DRPT will be prepared to report on the establishment of these principles by June 30, 2009 and all principles will be incorporated as part of the annual allocation process for FY 2010.

The proposed expenditures for the FY 2009 budget total \$670.9 million – a 7% increase over FY 2008. The addition of \$30.6 million of recordation taxes to the transit operating assistance program helped achieve a 44% state share of eligible expenses. We had projected a state share of 59% when this new funding source was announced last year, but a severe downturn in revenue projections and rapidly rising fuel costs mitigated the impact of the new funding. The state share of transit capital projects remained at 66% in the current year as a decreased revenue outlook and the absence of general funds for specific projects counteracted the impact of the increase in transportation capital projects bonds of \$40 million.

The FY 2009 budget supports several high priority initiatives, including construction of The Tide light rail system in Norfolk, rolling stock acquisition and infrastructure improvements for Virginia Railway Express, final design of the Dulles Corridor Metrorail Project, Bus Rapid Transit service in Richmond, and transit service expansions statewide. Funding has been identified to support passenger and freight rail initiatives identified in the Statewide Rail Plan, in addition to current projects in the I-95 and I-81 corridors. We are continuing to encourage economic development through the Rail Preservation program, and our human service transit program has been enhanced to support Virginia's growing senior population.

We look forward to working with the Commonwealth Transportation Board to advance the programs and projects in our FY 2009 budget.

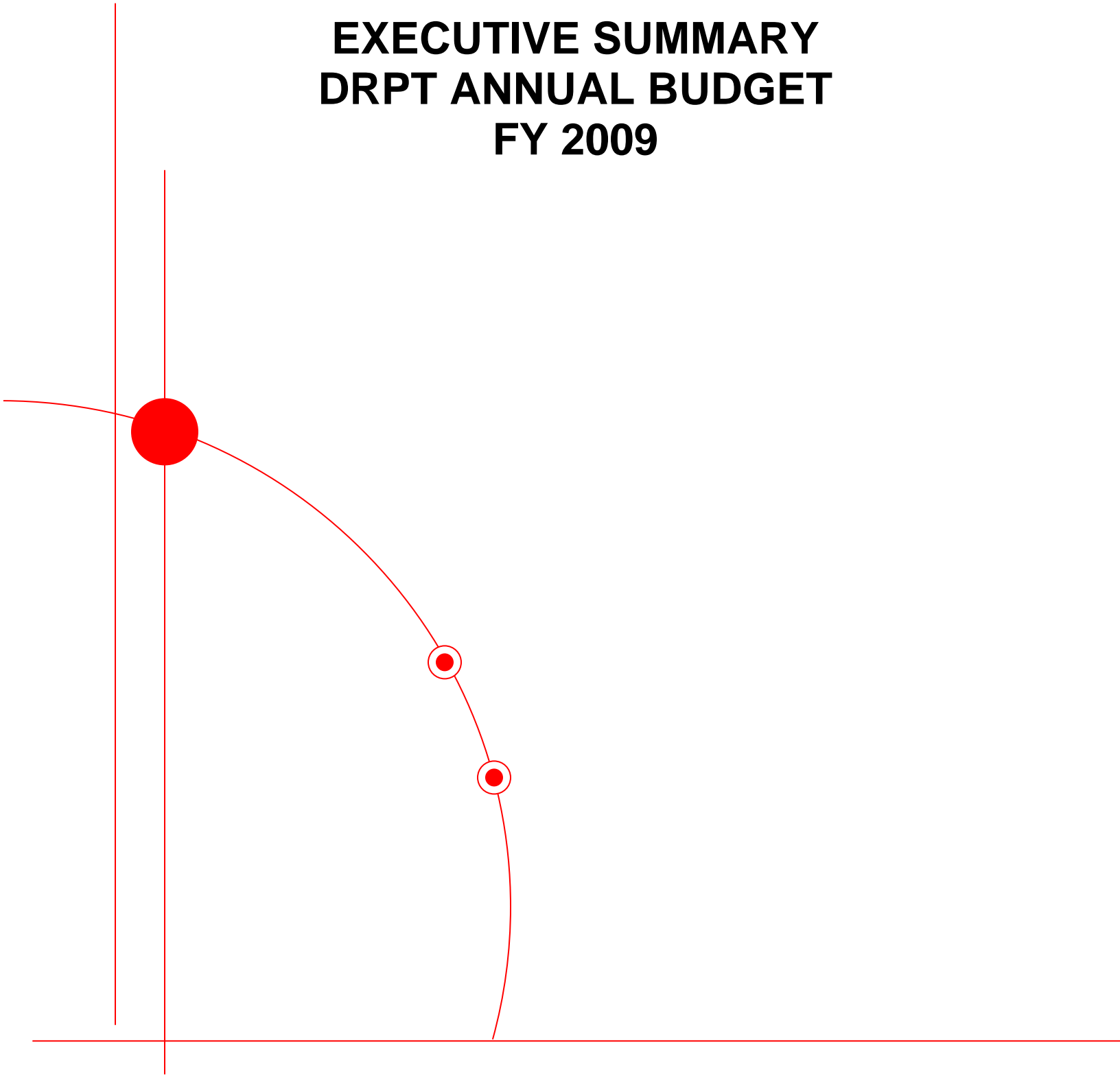
Sincerely,

Matthew O. Tucker, Director

The Smartest Distance Between Two Points

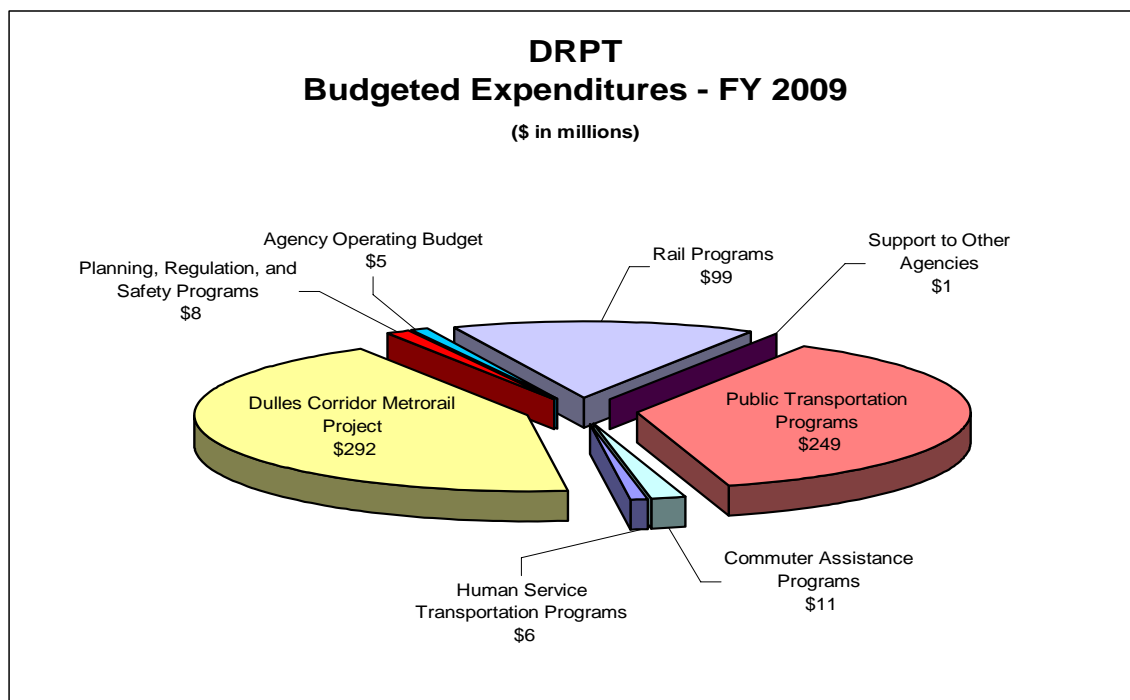
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EXECUTIVE SUMMARY DRPT ANNUAL BUDGET FY 2009



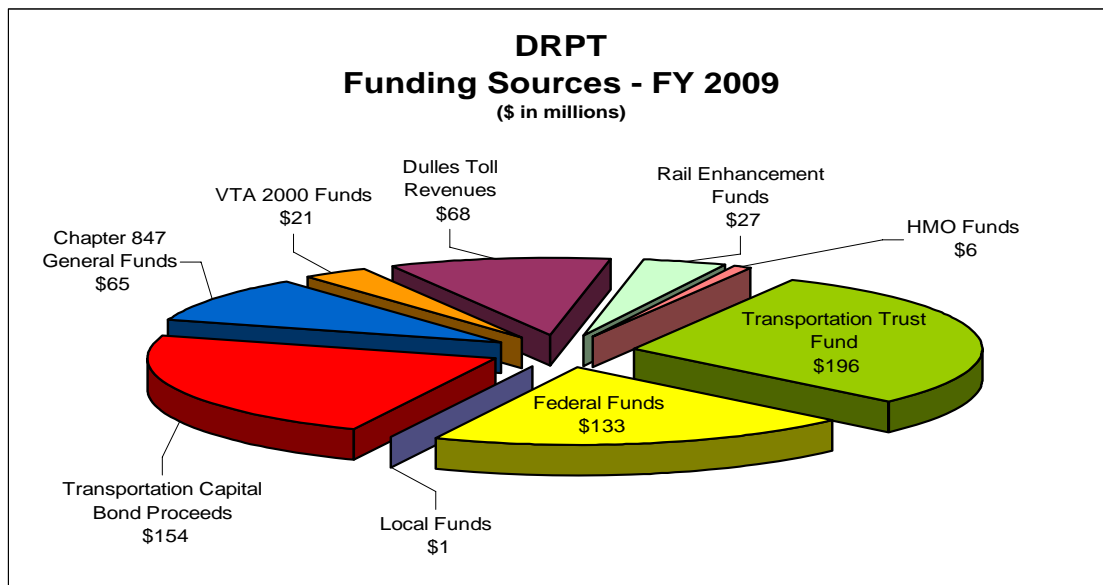
Summary of FY 2009 Budget

In FY 2009, DRPT anticipates spending \$671 million of federal, state, and local funds compared to \$624 million in FY 2008. The increase of \$47 million is primarily due to anticipated expenditures related to projects funded with the new funding sources provided through the 2007 Transportation Initiative. The increase is offset by a slight decrease in the Dulles Corridor Metrorail Project budget as the Metropolitan Washington Airports Authority (MWAA) is now directly administering the local funding for the project. The FY 2009 DRPT budget will be accounted for utilizing the agency's eight service areas, including: Public Transportation Programs; Commuter Assistance Programs; Human Service Transportation Programs; Rail Preservation Programs; Rail Enhancement Programs; the Dulles Corridor Metrorail Project; Planning, Regulation and Safety Programs; and General Management and Direction (operating budget). The following chart depicts the DRPT budget by service area:



The budgeted expenditures for each service area are discussed in more detail later in this report.

The major sources of funds for the DRPT budget are depicted in the chart on the following page. This does not represent the estimated revenues for FY 2009, but rather the source of funding for the budgeted expenditures for the year. For example, the full \$60 million of transit Commonwealth of Virginia Transportation Capital Projects Revenue Bonds is allocated in the SYIP, but the budget and the funding sources statement only includes the projected expenditures for FY 2009 of \$25 million. Additional details of the DRPT FY 2009 revenues can be found on page 17.



FY 2009 Service Area Budget Highlights

Agency Operating Budget

DRPT's operating budget assumes that the Metropolitan Washington Airports Authority will assume control of the Dulles Toll Road during FY 2009. This is significant because the Dulles Corridor Metrorail Project currently represents 43.5 percent of the DRPT annual budget. In FY 2005, the DRPT budget totaled approximately \$178 million as compared to \$379 million in the FY 2009 budget without the Dulles project. This represents an increase of over 110% in just four years. Additionally, the nature of the projects managed by DRPT has changed dramatically over the last 15 years. DRPT supports many regional initiatives as diverse as the Norfolk Light Rail Transit project, the Richmond bus rapid transit initiative, the Dulles Corridor Metrorail Project, and the I-95 and I-81 rail corridor programs.

In 2007, DRPT initiated a strategic review which resulted in a significant reorganization of the agency and the development of a comprehensive business plan. During the past 12 months, DRPT has steadily transitioned to a business model that will enable us to better serve as stewards of Commonwealth funding and as advocates of our programs through improved performance results from our programs. The one time special allocation of \$11.3 million authorized by the Commonwealth Transportation board (CTB) at its April 2007 meeting provided funding to develop and implement several initiatives as identified in the strategic assessment. These initiatives included a program of rail and transit technical consulting expertise, a triennial grantee performance review program, a financial compliance review program, public benefit models, and asset management based capital budgeting.

In Chapter 879 of the 2008 Virginia Acts of Assembly, the Governor and General Assembly authorized the CTB to approve up to a maximum of three percent per year of the Mass Transit Trust Fund, Rail Enhancement Fund, and the Rail Preservation Fund to support costs of project development, project administration, and project

compliance. DRPT has determined that 2.4% of the appropriated balance of the aforementioned funds for FY 2009 will be sufficient to support the ongoing costs of program administration. A complete list of these estimated costs for FY 2009 is included in the budget statement at the end of this document.

The agency operating budget service area is funded by \$4.9 million of Highway Maintenance and Operating (HMO) funds. The program development, project administration, and project compliance budget is \$4.6 million and is included in the Planning, Regulation, and Safety Program line item. When these two line items are combined, the resulting DRPT operating budget represents 2.5% of the total funds administered by the agency less the Dulles Corridor Metrorail Project budget.

Public Transportation Programs

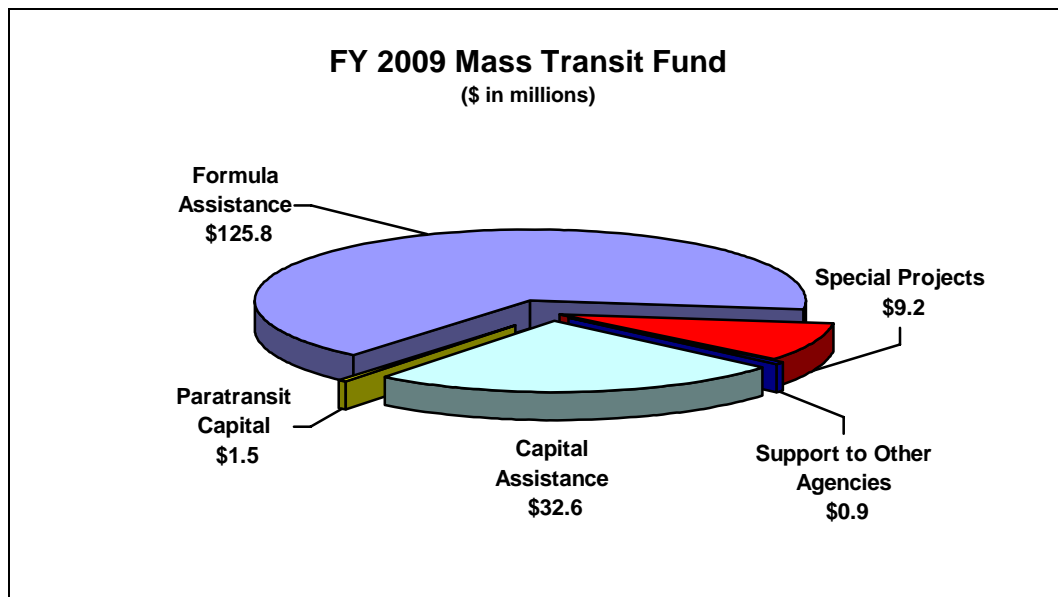
The \$249.3 million in the public transportation programs budget for FY 2009 includes \$18.6 million in federal funds, \$8.1 million in state matching funds for federal allocations to public transportation projects, \$30 million of Chapter 847 general funds for transit capital projects, \$25 million of bond proceeds for statewide transit capital funding, and \$167.6 million in Mass Transit Trust Funds.

The FY 2009 allocation of Mass Transit Trust Funds represents an increase of \$18.5 million over FY 2008. This increase resulted from the inclusion for the first time of estimated expenditures of \$30.6 million funded from the state recordation tax dedicated to public transportation operating assistance in Chapter 896 of the 2007 Acts of Assembly. The remaining funding for this allocation is made up of 14.7% of the 1986 Special Session Revenue (Transportation Trust Fund) and is adjusted by estimates of interest to be earned, carryover from the previous fiscal years, and indirect charges. Both dedicated sources of funding suffered from downward projections in revenue forecasts for FY 2009 totaling \$24.9 million.

The annual allocation of these funds is distributed in accordance with Appropriations Act language and the provisions of the Code of Virginia that established the Mass Transit Trust Fund (§58.1-638.A.4) and dedicated \$0.02 of the state recordation tax to the Mass Transit Fund (§58.1-815.4.). The distribution is as follows: 2.4% of the Mass Transit Trust Fund to support costs of project development, project administration, and project compliance per Item 448 of the 2008 Appropriation Act; \$1,500,000 for paratransit capital projects and enhanced transportation services for the elderly and disabled; recordation tax proceeds of \$30.6 million are allocated as state operating assistance grants; and the 14.7% share of the Transportation Trust Fund dedicated to the Mass Transit Trust Fund is allocated by statute with 73.5% for state operating assistance grants (called formula assistance grants), 25% awarded as capital assistance grants, and the balance of 1.5% awarded as special projects grants.

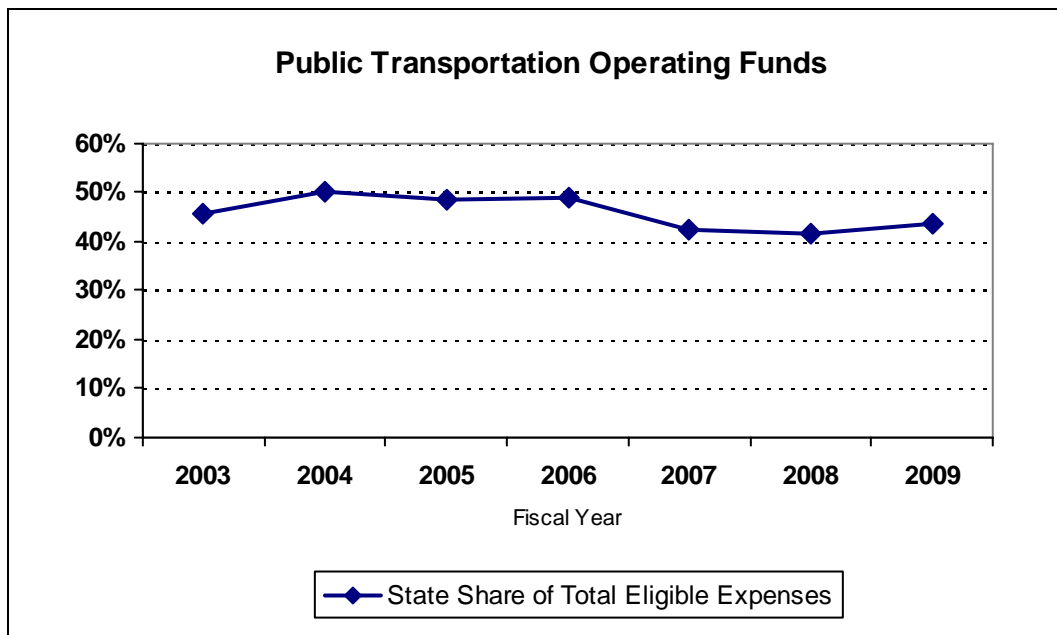
The FY 2009 allocation of Mass Transit Trust Funds for public transportation is depicted in the following chart. The variance in percentages from the chart data to the

above mandated percentage allocations occurs because the recordation tax is allocated entirely as formula assistance and the special projects program includes estimated expenditures of \$7.3 million of the one-time, special CTB allocation of \$11.3 million to DRPT projects.



Public Transportation Operating Funds

State formula assistance grants for public transportation operating expenses are awarded on the basis of the total annual amount of state funds available expressed as a percentage of the total annual amount of transit operating expenses, subject to a cap of 95% of eligible expenditures. Eligible expenditures are defined as costs of administration, fuel, tires, and maintenance parts and supplies (payroll costs of mechanics and drivers are excluded). In FY 2009, \$30.6 million of additional funding was added to the operating assistance program as mandated in §58.1-815.4. of the Code of Virginia from a \$0.02 share of the recordation tax. The overall state share of eligible expenditures is 43.8% for FY 2009 versus 41.6% for FY 2008. The addition of the recordation tax revenues had little impact on the state share of eligible expenses due to rapidly rising fuel and insurance costs and a decline in revenue projections in the Transportation Trust Fund.



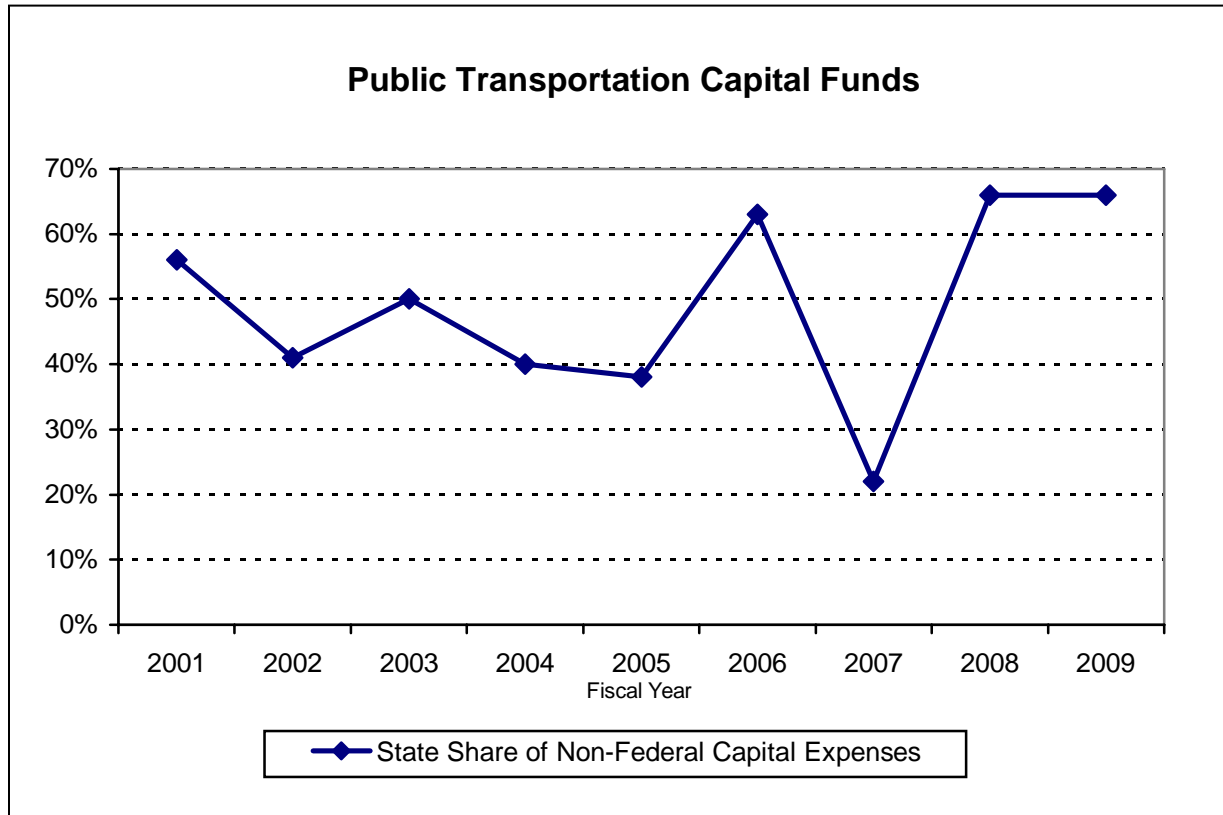
Public Transportation Capital Funds

State capital program grants from Mass Transit Trust Funds (MTTF) are awarded to all public transportation capital projects deemed to be eligible, reasonable, and appropriate at a uniform level of state participation. The goal is to reach the maximum allowable state share of capital expenses of 95%, but there have not been sufficient funds to support transit capital projects at this level since the Mass Transit Trust Fund was created in 1986. This level of participation or “state share” of capital project expenses is calculated by dividing the amount of state funds available for capital projects each year by the amount needed to support the non-federal share of all eligible transit capital projects for the year.

Beginning in FY 2008, additional capital funds from Transportation Capital Projects bond proceeds authorized under Chapter 896 of the 2007 Acts of Assembly are available annually at a maximum state matching share of 80% in the Transit Capital Fund. For the current year, DRPT allocated \$60 million of bond proceeds with emphasis placed on vehicles and facilities.

Chapter 847 of the 2007 Virginia Acts of Assembly authorized one-time general fund transfers totaling \$45 million to the Transit Capital Fund to support rolling stock acquisitions by the Washington Metropolitan Area Transit Authority (\$20 million) and Virginia Railway Express (\$15 million), and \$10 million for the Norfolk Light Rail project. Additionally, Chapter 847 provided a one-time supplement of \$15 million to the Mass Transit Capital Assistance Program. During FY 2009 it is anticipated that \$30 million will be expended on these projects.

The chart on the following page depicts a blended state share percentage of 66% for FY 2009 and FY 2008 with all other years representing only the MTTF matching share.



In FY 2009, the budget for public transportation capital expenditures is \$103.4 million – a \$20.5 million increase from FY 2008. This increase is attributed to the projected expenditures of the Chapter 847 general funds for transit capital and of the additional bond proceeds under Chapter 896, offset by a decrease in general fund reappropriation that existed in the prior year. The projects to be supported by these funds, in addition to the applicable federal funds available to DRPT, are summarized in the table below:

Public Transportation Capital Projects for FY 2009						
	Replacement Transit Vehicles	Expansion Transit Vehicles	Vehicles for Elderly & Disabled Services	Service Support Vehicles	Transit Facility Construction or Renovation	Transit Facility Planning or Design
Bristol District	8	3	4	2	0	0
Culpeper District	21	0	4	0	0	0
Fredericksburg District	17	2	6	0	2	0
Hampton Roads District	17	0	9	0	4	0
Lynchburg District	3	4	9	2	2	1
Northern Virginia District	34	37	6	11	8	11
Richmond District	44	3	11	2	4	2
Salem District	4	7	17	5	6	0
Staunton District	0	2	11	0	1	2
Statewide Totals	148	58	77	22	27	16

Public Transportation Special Projects Funds

The Special Projects grants are budgeted at \$9.2 million for FY 2009. These funds are used to award discretionary grants for public transportation demonstration projects, technical assistance projects and public transportation internships. Additionally, \$7.3 million of anticipated expenditures of the \$11.3 million special CTB allocation is included in the FY 2009 budget under this program.

Public Transportation Special Projects for FY 2009				
	Demonstration Projects	Technical Assistance Projects	Public Transportation Internships	Total
Bristol District	0	0	0	0
Culpeper District	3	0	0	3
Fredericksburg District	0	1	0	1
Hampton Roads District	0	1	0	1
Lynchburg District	0	0	0	0
Northern Virginia District	0	1	2	3
Richmond District	3	3	1	7
Salem District	2	0	0	2
Staunton District	2	0	0	2
Statewide Totals	10	6	3	19

Commuter Assistance Funds

The Commuter Assistance Programs budget includes \$4 million for FY 2009 to support Transportation Demand Management (TDM) projects in the Transportation Efficiency Improvement Fund (TEIF) program and \$6.7 million in projects included in the VDOT Six Year Improvement Program that DRPT will administer such as Innovative Progress, Telework, RideFinders, and TRAFFIX.

The TEIF program is a discretionary grant program that provides state funds to support 80% of the costs of TDM programs and special projects that are designed to reduce single occupant vehicle travel. These funds are used together with Special Projects funds to support vanpooling, ridesharing, and marketing and promotional efforts across the Commonwealth that are designed to encourage travel in shared ride modes. The distribution of TEIF grants for FY 2009 is shown in the table on the next page.

Commuter Assistance Projects for FY 2009			
	Transportation Demand Management Agencies	Special TDM Projects	Total
Bristol District	0	0	0
Culpeper District	2	0	2
Fredericksburg District	3	0	3
Hampton Roads District	0	1	1
Lynchburg District	0	0	0
Northern Virginia District	5	2	7
Richmond District	0	3	3
Salem District	1	0	1
Staunton District	1	0	1
Statewide Totals	12	6	18

Human Service Transportation Funds

The Human Service Transportation Programs budget includes \$5.9 million for FY 2009. This service area implements DRPT's initiatives to support human service transportation programs in the Commonwealth. Human service transportation programs are operated by local government social service agencies or private non-profit human service agencies for the benefit of their clients. These clients are elderly or disabled individuals and economically disadvantaged children who are enrolled to receive publicly funded social services.

Human service transportation differs from public transportation in that it is designed to serve the very specific needs of human service agency clients and in most cases, service is restricted to the clients of those agencies who often have no other transportation service available to them. It is not open to the general public. The funding for this program comes from the Federal Transit Administration (\$3.7 million), local provider match (\$0.7 million), and Mass Transit Trust funds for enhanced transportation services for the elderly and disabled (\$1.5 million). The breakdown by district of the 77 vehicles purchased through this program can be seen in the Public Transportation Capital Projects table on page 10.

Dulles Corridor Metrorail Project

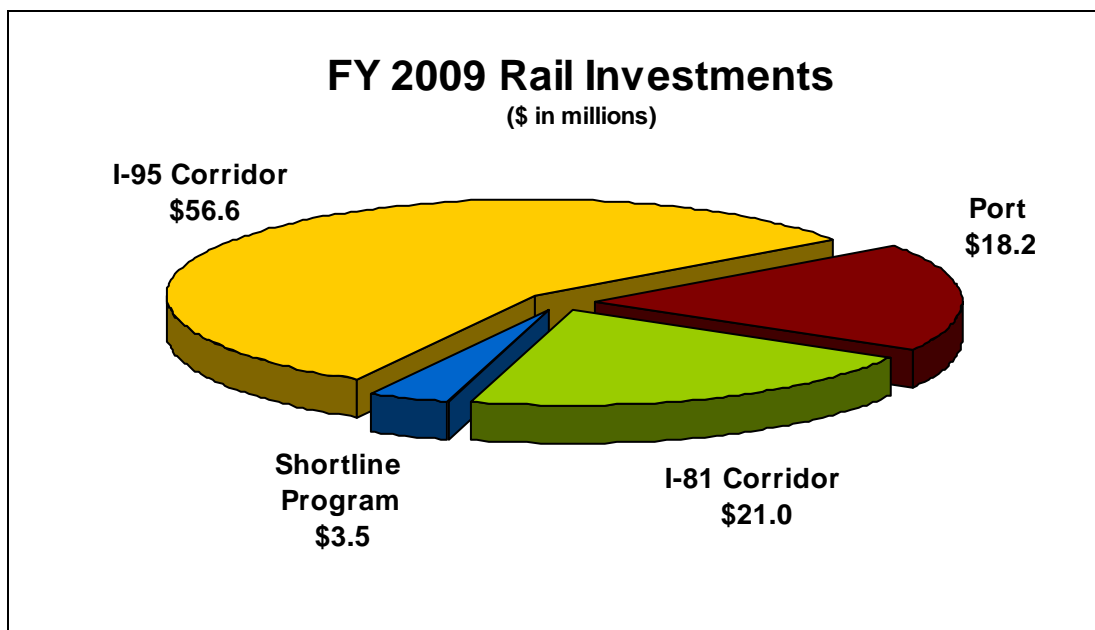
The FY 2009 budget for the Dulles Corridor Metrorail Project includes projected expenses of Commonwealth funds totaling \$193.2 million and federal funds of \$99 million. The Dulles Project recently received Final Design approval from the Federal Transit Administration, and the transfer of the Dulles Toll Road operations to the Metropolitan Washington Airports Authority is expected to be completed sometime within the next six months. At that time, DRPT will no longer record Dulles Project related financial transactions. The budget for the Dulles Project is included herein so

that DRPT may continue to advance Commonwealth funds for the Project until the transition is complete.

The financial plan for the Dulles Corridor Metrorail Project appears in the Six-Year Improvement Program based on budgets for major tasks. Past, current and future allocations are shown for each major task and a more complete picture of the funding for the project is provided.

Rail Programs

DRPT's FY 2009 budget includes \$99.3 million in funding for passenger and freight rail improvements. The distribution of anticipated expenditures falls into four categories: the I-95 Corridor with \$56.6 million, the I-81 Corridor with \$21.0 million, Port related projects of \$18.2 million, and the Shortline Program with \$3.5 million of expenditures.



Funding for DRPT's rail programs is supported through six funding sources: Rail Enhancement funds of \$26.1 million, Transportation Capital Project Bond funds of \$4.3 million, Commonwealth General funds of \$35 million, Virginia Transportation Act of 2000 funds of \$21.4 million, Federal Railroad Administration grant funds of \$9.2 million, and Shortline Railway and Development funds of \$3.3 million.

The Rail Enhancement Fund (REF) provides over \$26 million in annual, dedicated funding for passenger and freight rail improvements from a 3% motor vehicle rental tax and the interest earnings on the cash balances of the fund. DRPT anticipates expenditures of \$26.1 million from the Rail Enhancement Fund for projects related to improving the viability of passenger rail activities primarily in the I-95 and I-81 Rail Corridors and for projects related to improving the movement of goods into and out of the Port of Virginia.

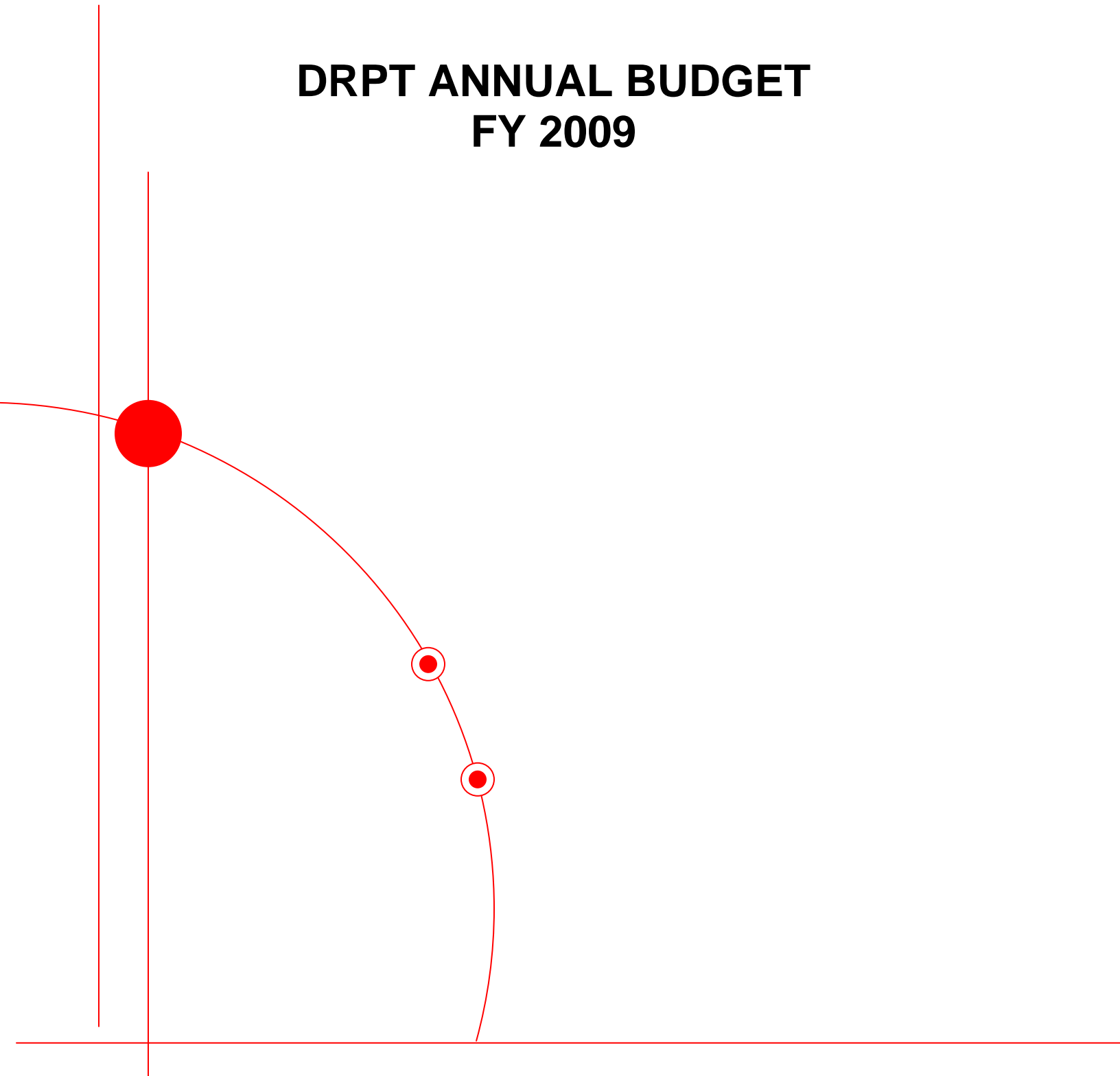
Transportation Bond Funds - Chapter 896 of the 2007 *Acts of Assembly* provides for Transportation Capital Project Revenue Bonds to be issued annually with a minimum of 4.3% of the proceeds going to either the Rail Enhancement Fund or the Shortline Railway Preservation and Development Fund. For FY 2009, planned expenditures from these bond proceeds are \$4.1 million for joint passenger and rail infrastructure improvements in the I-95 rail corridor and \$220,824 for improvement to the tracks of the Buckingham Branch shortline.

Commonwealth General Funds in the amount of \$65 million were provided for in *Chapter 847 of the 2007 Acts of Assembly* for specific passenger and freight rail projects in the I-95 and I-81 corridors. DRPT anticipates expenditures of \$35 million of these funds in FY 2009. Of this amount, DRPT expects to spend \$20 million on Phase I of the I-81 freight rail initiative and \$15 million in the I-95 rail corridor. The I-95 funding was allocated to allow for the completion of the original projects in this corridor as envisioned under funding provided by the Virginia Transportation Act of 2000 (VTA 2000).

Virginia Transportation Act of 2000 provided \$65.7 million for passenger and freight rail improvements in the I-95 Rail Corridor and \$9.33 million for passenger rail improvements in the I-81 Rail Corridor. During FY 2009 DRPT expects to spend VTA 2000 funds totaling \$12.4 million in order to complete projects including the L'Enfant Station third track and crossover, the Arkendale crossover, the Elmont crossover, the Roslyn to Slaters Lane Third Track, and planning for the Richmond Area Improvements. DRPT also anticipates spending \$8.6 million of VTA 2000 funds and \$9.2 million in **Federal Railroad Administration grant funds** in FY 2009 to support the Fredericksburg to Hamilton's Crossing Third Track Upgrade and on the Alexandria to Franconia third track projects. Additionally, DRPT anticipates expenditures of \$350,000 to advance passenger rail planning on the I-81 Rail Corridor between Lynchburg and Bristol.

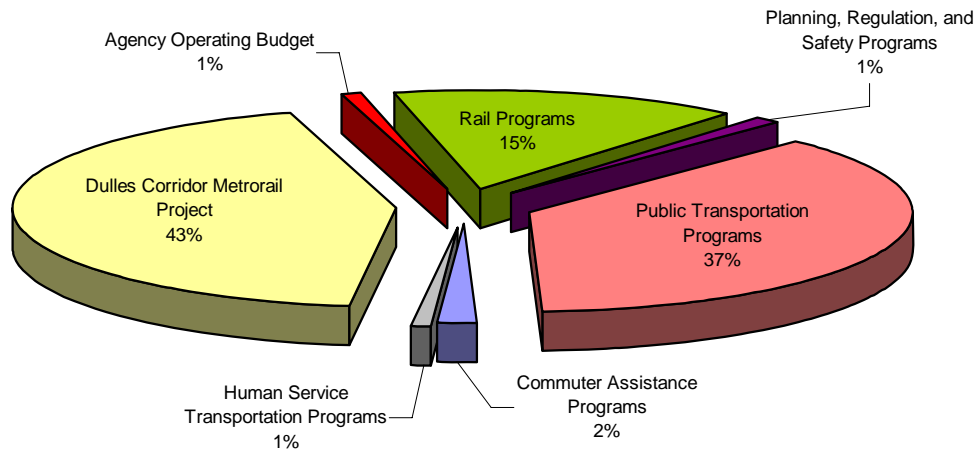
The Shortline Railway Preservation and Development Fund will support ten projects for Virginia's shortline railroads in FY 2009 through the Rail Preservation Program. These Rail Preservation projects consist primarily of tie and rail replacement and the related ballast, tamping, and surfacing of existing rail lines operated by the shortline railroads in Virginia. Other projects involve grade crossing safety improvements in Suffolk and railroad bridge repairs. These projects are funded through the annual Transportation Trust Fund allocation and the related interest revenues of \$3.3 million and through Transportation Capital Project Bonds of \$220,824.

DRPT ANNUAL BUDGET FY 2009



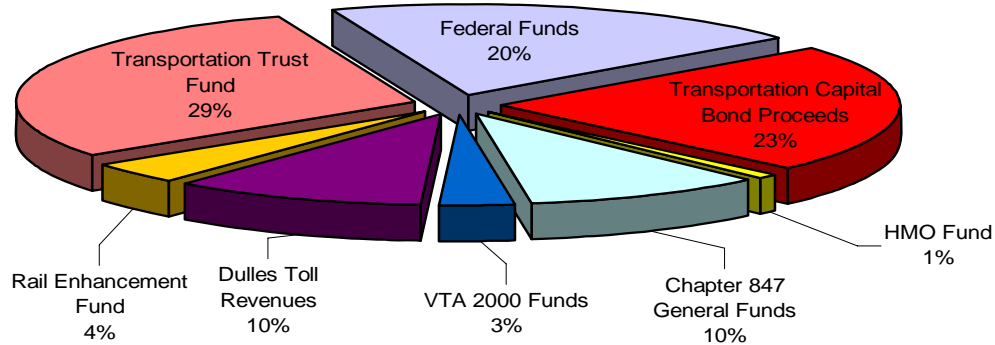
DRPT Budgeted Expenditures - FY 2009

(\$ in millions)



	Adopted FY 2008	Recommended FY 2009	Increase / (Decrease)	Percentage Change
Public Transportation Programs				
Operating Assistance [Notes 1, 2]	\$ 111.8	\$ 136.7	\$ 24.9	22.3%
Capital Assistance [Notes 1, 3]	82.9	103.4	20.5	24.7%
Special Programs [Note 4]	13.6	9.2	(4.4)	-32.4%
Total	208.3	249.3	41.0	19.7%
Rail Assistance Programs				
Rail Preservation Programs [Notes 1, 5]	4.0	3.5	(0.5)	-12.5%
Rail Enhancement Programs [Notes 1, 6]	47.8	65.2	17.4	36.4%
Richmond-Washington HSR [Note 7]	19.1	30.6	11.5	60.2%
Total	70.9	99.3	28.4	40.1%
Dulles Corridor Metrorail Project [Note 8]				
Metrorail	312.4	285.6	(26.8)	-8.6%
Express Bus Service	6.6	6.6	-	0.0%
Total	319.0	292.2	(26.8)	-8.4%
Commuter Assistance Programs [Note 9]	12.6	10.7	(1.9)	-15.1%
Human Service Transportation Pgm [Note 10]	4.9	5.9	1.0	20.4%
Planning, Regulation, & Safety Pgm [Note 11]	2.9	7.7	4.8	165.5%
Agency Operating Budget [Note 12]	4.8	4.9	0.1	2.1%
Support to Other Agencies	1.0	0.9	(0.1)	-10.0%
Agency Total	\$ 624.4	\$ 670.9	\$ 46.5	7.4%

DRPT
Funding Sources - FY 2009
(\$ in millions)



	Adopted FY 2008	Estimated FY 2009	Increase / (Decrease)	Percentage Change
HIGHWAY MAINTENANCE AND OPERATING FUND [Notes 11, 12]	\$ 5.5	\$ 5.7	\$ 0.2	3.6%
TRANSPORTATION TRUST FUND				
1986 Special Session Revenue (14.7%) [Notes 2, 3, 4, 10]	155.2	143.1	(12.1)	-7.8%
Recordation Tax [Note 2]	-	30.6	30.6	100.0%
Transport. Efficiency Improvement Prgm (TEIF) [Note 9]	4.0	4.0	-	0.0%
Rail Preservation Program [Notes 1, 5]	3.8	3.4	(0.4)	-10.5%
2005 Transportation Initiative - Reappropriation [Note 3]	10.0	-	(10.0)	-100.0%
Rail Enhancement [Notes 1, 6]	28.7	26.7	(2.0)	-7.0%
Special Programs - VDOT Transfers [Note 9]	8.6	6.7	(1.9)	-22.1%
State Match - SAFETEA-LU Earmarks [Note 3]	2.4	3.5	1.1	45.8%
State Match - CMAQ / RSTP [Note 3]	3.3	4.6	1.3	39.4%
Total	216.0	222.6	6.6	3.1%
GENERAL FUND - Transit Capital and Rail [Notes 3,6]	34.0	65.0	31.0	91.2%
BOND PROCEEDS - Transit Capital and Rail [Note 1,3,5,6]	11.0	154.3	143.3	1302.7%
FEDERAL REVENUE				
Flexible STP - Equity Bonus [Note 3, 13]	1.0	4.9	3.9	390.0%
SAFETEA-LU Earmarks [Note 3]	-	0.4	0.4	100.0%
Federal Transit Administration [Notes 2, 3, 10, 11]	118.1	118.4	0.3	0.3%
Federal Railroad Administration [Note 7, 13]	-	9.2	9.2	100.0%
Total	119.1	132.9	13.8	11.6%
LOCAL REVENUES [Note 10]	161.7	0.7	(161.0)	-99.6%
TRANSFERS FROM OTHER AGENCIES				
DMV Transfers [Note 11]	0.1	0.1	-	0.0%
VDOT - Dulles Toll Road Transfers [Note 8]	38.9	68.2	29.3	75.3%
VDOT - VTA 2000 Transfers [Note 7]	38.1	21.4	(16.7)	-43.8%
Total	77.1	89.7	12.6	16.3%
TOTAL SOURCES	\$ 624.4	\$ 670.9	\$ 46.5	7.4%

DRPT

Footnotes to the FY 2009 Annual Budget

- (1) As a result of the 2007 Transportation Initiative, DRPT will receive new funding totaling \$103.5 million in FY 2009 and an estimated \$609 million over the next six years. The issuance of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds will provide new funding totaling \$60 million for transit capital and \$12.9 million for Rail Programs in FY 2009. Chapter 896 of the 2007 Acts of Assembly dedicated \$.02 of the state recordation taxes imposed pursuant to 58.1-801 and 58.1-803 to the Commonwealth Mass Transit Fund. This is estimated to provide \$30.6 million of new funding for transit operations in FY 2009.

The budgeted amounts in this report only include anticipated expenditures for FY 2009 and sources to cover these anticipated expenditures. Therefore, budgeted amounts will not agree to allocations in the Six Year Improvement Plan (SYIP). For example, DRPT will allocate Transportation Capital Projects bond proceeds of \$60 million (as authorized in Code of Va. Section 33.1-23.4:01) for transit capital in FY 2009, but only \$25 million is expected to be expended during FY 2009. The differences between the FY 2009 SYIP allocations and budgeted expenditures are as follows:

Reconciliation of SYIP Allocations to Budgeted Expenditures

Total Six Year Improvement Plan Allocations	\$ 824.2
Dulles Metrorail Allocations Greater than Budget	(145.4)
Various Federal Funds Allocations with Grantee FTA Contracting	(64.7)
Transit Bond Allocations Greater than Budget	(35.0)
Rail Bond Allocations Greater than Budget	(8.6)
Prior Year Allocations in Current Year Budget	
2007 General Funds	65.0
VTA 2000 funds	21.4
Special CTB Allocation - April 2007	7.3
VDOT Allocations included in DRPT Budget	6.7
Total Budgeted Expenditures	<u>\$ 670.9</u>

- (2) The budgeted expenditure line item entitled Public Transportation Programs - Operating Assistance increased by \$24.9 million primarily due to the addition of Recordation Taxes as discussed in footnote 1. The activities budgeted in this line item consists of Mass Transit Trust Fund (MTTF) operating allocations of \$125.8 million, \$9.5 million in federal assistance through the Federal Transit Administration (FTA) 5311 Rural Assistance program, and \$1.4 million in federal assistance through the FTA Jobs Access and Reverse Commute (JARC) program.

DRPT Footnotes to the FY 2009 Annual Budget (Continued)

- (3) The budgeted Public Transportation Programs - Capital Assistance line item increased by \$20.5 million primarily due to the expenditure of general funds authorized by Chapter 847, 2007 Virginia Acts of Assembly and the increased projected expenditure of bond proceeds in FY 2009 as compared to FY 2008, offset by the \$10 million decrease in general fund reappropriation that existed in the prior year. The activities budgeted in this line item are \$32.6 million of MTTF allocation, \$30.0 million of general funds, \$25.0 million of Transportation Capital Projects bond proceeds, \$7.7 million of federal allocations, and \$8.1 million in state matching funds.
- (4) The budgeted expenditure line item entitled Public Transportation Programs – Special Programs decreased by \$4.4 million for FY 2009. The activities budgeted in this line item consist of MTTF allocations of \$1.9 million and \$7.3 million of planned expenditures resulting from the special allocation of \$11.3 million of MTTF by the Commonwealth Transportation Board (CTB) at its April 2007 meeting. These special allocation funds are residual balances from previous MTTF project allocations that were no longer needed by the grantee for the original purpose of the grant.
- (5) The 2006 General Assembly passed legislation (Code of Va. Section 33.1-221.1:1.2) to establish the Shortline Railway Preservation and Development fund. The Fund was created to support the retention, maintenance, and improvement of shortline railways in Virginia and to assist with the development of railway transportation facilities. The source of funding for the Shortline Railway Preservation fund is the Transportation Trust Fund with a FY 2009 allocation of \$3 million. The additional \$0.5 million of planned expenditures is funded by projected FY 2009 interest revenue and Transportation Capital Projects Bond proceeds allocated by the CTB.
- (6) The budgeted Rail Enhancement Program line item increased by \$17.4 million in FY 2009 due primarily to scheduled payments of general funds authorized by Chapter 847, 2007 Virginia Acts of Assembly. The source of funding for the Rail Enhancement Fund is the state portion of vehicle rental taxes collected in the Transportation Trust Fund, estimated at \$23.6 million for FY 2009. Additionally, this line item includes \$2.5 million of projected FY 2009 interest revenue, \$35.0 million of general funds, and bond proceeds of \$4.1 million.
- (7) The budgeted Richmond-Washington HSR line item increased by \$11.5 million. This is primarily due to the execution of the two MOU projects for Fredericksburg to Hamilton Third Track and Alexandria to Franconia Third Track that will be built in FY 2009. The source of funding for this line item is \$21.4 million of VTA 2000 funds. Additionally, DRPT has applied for Federal Railroad Administration funds of \$9.2 million which will be utilized on these same projects when the federal award is received.
- (8) For FY 2009, projected expenditures for the Dulles Corridor Metrorail project are based on the Commonwealth share of the latest approved FTA Financial Plan. The decrease of \$26.8 million results from the exclusion of local funds from the budget for FY 2009 offset by the addition of \$125 million of Transportation Capital Projects Bond proceeds. The FTA has issued Final Design approval for the project. It is anticipated that the Metropolitan Washington Airports Authority (MWAA) will take over the operation of the Dulles Toll Road and in turn the management of the Dulles Corridor Metrorail Project in FY 2009. Therefore, actual activity during 2009 may be significantly less than budgeted as expenditures will no longer be recorded by DRPT after MWAA takes control of the project.

DRPT Footnotes to the FY 2009 Annual Budget (Continued)

- (9) Commuter Assistance Programs includes the Transportation Efficiency Improvement Fund of \$4 million from the Transportation Trust Fund. Additionally, \$6.7 million in projects administered by DRPT with funding allocated through VDOT's Six-Year Improvement Program (Innovative Progress – Telework, RideFinders, TRAFFIX) is included in this Service Area.
- (10) Human Service Transportation Programs include the \$1.5 million allocation of MTTF for the paratransit capital projects and enhanced transportation services for the elderly and disabled, \$2.8 million of FTA 5310 funding for vehicle purchases for providers of service to the elderly and disabled, \$0.7 million of local match to the FTA 5310 funds, and \$0.9 million of FTA New Freedom awards.
- (11) The budgeted Planning, Regulation, and Safety Program line item increased by \$4.8 million primarily due to the allocation of 2.4 percent of the Mass Transit Trust Fund, Rail Enhancement Fund, and the Rail Preservation Fund to support costs of project development, project administration, and project compliance. Item 448 of Chapter 879 of the 2008 Virginia Acts of Assembly allows the CTB to approve up to a maximum of 3 percent per year of these funds for the purposes described herein. The major components of these budgeted expenditures for FY 2009 are as follows:

Consultant Embedded Staff/DRPT Staff	\$ 1,908,266
Finance Compliance Review Program	464,000
Transit Performance Review Program	350,000
Facility Oversight Program	750,000
State Safety Oversight Program	400,000
Rail Program Support	250,000
Security Assessment Program for Transit Providers	150,000
Emergency Preparedness Guidebook for Transit Providers	150,000
Other Program and Project Management Initiatives	170,000
Total	<u>\$ 4,592,266</u>

Planning, Regulation, and Safety Programs consist of the Program/Project Management funds discussed above of \$4.6 million, FTA 5303/5304 planning funds of \$2.4 million and the related state match of \$0.3 million, Virginia's annual payment of \$0.3 million of HMO funds to the Washington Metropolitan Area Transit Commission (WMATC), and the Operation Lifesaver program transferred from DMV of \$0.1 million.

- (12) The agency operating budget of \$4.9 million is funded by Highway Maintenance and Operating (HMO) funds. The program development, project administration, and project compliance budget is \$4.6 million as detailed in footnote 11. When these two items are combined and the Dulles Corridor Metrorail Project budget is removed, as is expected in the very near future, the resulting DRPT operating budget represents 2.5% of the total funds administered by the agency.
- (13) In order to provide comparative data to the FY 2009 budget, certain reclassifications were made to FY 2008 line items.



Virginia Department of Rail and Public Transportation

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